

HOUSE BILL No. 1049

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-17-12-5; IC 20; IC 21.

Synopsis: Full day kindergarten. Requires school corporations to provide full day kindergarten. Provides that a student attending kindergarten counts as one student rather than one-half of a student for purposes of state distributions to school corporations. Makes conforming changes.

Effective: July 1, 1999; March 1, 2001.

Becker

January 6, 1999, read first time and referred to Committee on Ways and Means.

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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1049

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 12-17-12-5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. As used in this
3 chapter, "school age child care program" means a program operated by
4 a school corporation or a nonprofit organization that offers care to
5 children who are at least five (5) years of age but less than fifteen (15)
6 years of age for the following periods of time:

- 7 (1) Before or after the school day, or both.
8 (2) When school is not in session.
9 (3) ~~When school is in session for students who are enrolled in a~~
10 ~~half-day kindergarten program.~~

11 SECTION 2. IC 20-2-9-7 IS AMENDED TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 1999]: Sec. 7. An educational program under
13 this chapter shall include a **full day** kindergarten program. ~~that is at~~
14 ~~least a half day program.~~

15 SECTION 3. IC 20-5-2-1.2 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1.2. (a) Each school
17 corporation shall conduct an educational program for all children who



reside within the school corporation in kindergarten ~~and in grades 1 through grade 12. During the 1990-91 school year, each school corporation may provide each preschool child with a disability with an appropriate special education as required under IC 20-1-6-14.1 using local or available federal funds. Beginning with the 1991-92 school year, The kindergarten program must be a full day program.~~ Each school corporation shall provide each preschool child with a disability with an appropriate special education as required under IC 20-1-6-14.1 only if the general assembly appropriates state funds for preschool special education.

(b) Each school corporation may **do the following:**

(1) Conduct an educational program for adults and children over fourteen (14) years of age not attending a program under subsection (a).

(2) Provide instruction in vocational, industrial, or manual training.

(3) Provide libraries for the schools of the school corporation.

(4) Provide public libraries open and free for the use and benefit of the residents and taxpayers of the school corporation where permitted by law.

(5) Provide vacation school and recreational programs.

(6) Conduct other educational or other activities as are permitted or required to be performed by law by any school corporation. ~~and~~

~~(7) provide a school age child care program that operates during periods when school is in session for students who are enrolled in a half-day kindergarten program.~~

(c) Each school corporation shall develop a written policy that provides for:

(1) the implementation of a school age child care program for children who attend kindergarten through grade 6 that, at a minimum, operates after the school day and may include periods of time before school is in session or periods when school is not otherwise in session (commonly referred to as latch key programs) and is offered by the school corporation; or

(2) the availability of the school corporation's buildings or parts of the school corporation's buildings to conduct the types of programs described in subdivision (1) by nonprofit organizations or for-profit organizations.

(d) The written policy required under subsection (c) must address compliance with certain standards for reasonable care for children served under a child care program offered under this subsection, including:



(1) requiring the offering entity to acquire a particular amount of liability insurance; and

(2) establishing maximum adult to child ratios governing the overall supervision of the children being served.

If a school corporation implements the school corporation's own child care program or enters into a contract to provide these programs, the school corporation may not assess a fee for the use of the building. However, the school corporation may assess a fee to reimburse the school corporation for providing security, maintenance, utilities, school personnel, or other added costs directly attributable to the use of the buildings for the programs. In addition, if a school corporation offers the school corporation's own child care program, the school corporation may assess a fee to cover the costs attributable to implementing the program.

(e) The powers under this section shall be construed as purposes as well as powers.

SECTION 4. IC 20-5-2-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1.5. (a) ~~Notwithstanding section 1-2 of this chapter,~~ Except as provided in subsection (c), and beginning with the 1992-93 school year, each school corporation shall do one (1) of the following:

(1) Conduct a school age child care program (commonly referred to as a latch key program) for children who attend kindergarten through grade 6 that, at a minimum:

(A) operates after the school day and may include periods before school is in session or periods when school is not otherwise in session and is offered by the school corporation; and

(B) is available to all children in the applicable grade levels within the school corporation.

(2) Contract with a not-for-profit or for-profit organization to conduct the types of programs described in subdivision (1) and that utilize school buildings or parts of school buildings.

~~However, a school corporation is not required to conduct its latch key program or contract for a latch key program for kindergarten students during times in which grades 1 through 6 are in session.~~

(b) Each school corporation shall develop a written policy that addresses compliance with certain standards for reasonable care for children served under a child care program required under subsection (a), including the following:

(1) Requiring the offering entity to acquire a particular amount of liability insurance.



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(2) Establishing maximum adult to child ratios governing the overall supervision of the children being served.

A school corporation may not assess a fee for the use of a building in a child care program required under subsection (a). However, the school corporation may assess a fee to reimburse the school corporation for providing security, maintenance, utilities, school personnel, or other added costs directly attributable to the use of the buildings for the programs. If a school corporation offers the school corporation's own child care program, the school corporation may assess a fee to cover the costs attributable to implementing the program.

(c) A school corporation shall receive a waiver from the state board of the requirement under subsection (a) if the school corporation believes that it would experience an undue hardship due to a low number of eligible children intending to utilize the services of the latch key program, regardless of whether the latch key program is conducted by the school or under a contractual agreement. To receive a waiver, the school corporation must include a detailed description of its attempt to implement a latch key program, including the following:

(1) A description of the steps taken to conduct its own latch key program or to actively solicit other not-for-profit organizations or for-profit organizations to implement the latch key program.

(2) Evidence that a request in writing was made to all parents to contact the school corporation to indicate their willingness to utilize the latch key program and documentation of the results received from parents in this regard.

SECTION 5. IC 20-8.1-6.1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) As used in this section, the following terms have the following meanings:

(1) "Class of school" refers to a classification of each school or program in the transferee corporation by the grades or special programs taught at the school. Generally, these classifications are denominated as ~~kindergarten~~, elementary school, middle school or junior high school, high school, and special schools or classes, such as schools or classes for special education, vocational training, or career education.

(2) "ADM" means the following:

(A) For purposes of allocating to a transfer student state distributions under IC 21-1-30 (primetime), "ADM" as computed under IC 21-1-30-2.

(B) For all other purposes, "ADM" as set forth in IC 21-3-1.6-1.1.

(3) "Pupil enrollment" means the following:



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(A) The total number of students in kindergarten through grade 12 who are enrolled in a transferee school corporation on a date determined by the Indiana state board of education.

(B) The total number of students enrolled in a class of school in a transferee school corporation on a date determined by the Indiana state board of education.

~~However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) a student.~~

(4) "Special equipment" means equipment that during a school year:

(A) is used only when a child with disabilities is attending school;

(B) is not used to transport a child to or from a place where the child is attending school;

(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized instruction program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

The Indiana state board of education may select a different date for counts under subdivision (3). However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 3 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) The following state distributions that are computed in any part using ADM or other pupil count in which the student is included:

(i) Primetime grant under IC 21-1-30.

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(ii) Tuition support for basic programs and at-risk weights under IC 21-3-1.7-8 (before January 1, 1996) and only for basic programs (after December 31, 1995).

(iii) Enrollment growth grant under IC 21-3-1.7-9.5.

(iv) At-risk grant under IC 21-3-1.7-9.7.

(v) Academic honors diploma award under IC 21-3-1.7-9.8.

(vi) Vocational education grant under IC 21-3-1.8-3.

(vii) Special education grant under IC 21-3-1.8 (repealed January 1, 1996) or IC 21-3-10.

(viii) The portion of the ADA flat grant that is available for the payment of general operating expenses under IC 21-3-4.5-2(b)(1).

(B) For school years beginning after June 30, 1997, property tax levies.

(C) For school years beginning after June 30, 1997, excise tax revenue (as defined in IC 21-3-1.7-2) received for deposit in the calendar year in which the school year begins.

(D) For school years beginning after June 30, 1997, allocations to the transferee school under IC 6-3.5.

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the county office of the county of the student's legal settlement under IC 12-19-7 for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

(1) capital outlay;

(2) debt service;

(3) costs of transportation;

(4) salaries of board members;

(5) contracted service for legal expenses; and

(6) any expenditure which is made out of the general fund from extracurricular account receipts;



1 for the school year.

2 (d) The capital cost of special equipment for a school year is equal
3 to:

4 (1) the cost of the special equipment; divided by

5 (2) the product of:

6 (A) the useful life of the special equipment, as determined
7 under the rules adopted by the Indiana state board of
8 education; multiplied by

9 (B) the number of students using the special equipment during
10 at least part of the school year.

11 (e) When an item of expense or cost described in subsection (c)
12 cannot be allocated to a class of school, it shall be prorated to all
13 classes of schools on the basis of the pupil enrollment of each class in
14 the transferee corporation compared to the total pupil enrollment in the
15 school corporation.

16 (f) Operating costs shall be allocated to a transfer student for each
17 school year by dividing:

18 (1) the transferee school corporation's operating costs for the class
19 of school in which the transfer student is enrolled; by

20 (2) the pupil enrollment of the class of school in which the
21 transfer student is enrolled.

22 When a transferred student is enrolled in a transferee corporation for
23 less than the full school year of pupil attendance, the transfer tuition
24 shall be calculated by the portion of the school year for which the
25 transferred student is enrolled. A school year of pupil attendance
26 consists of the number of days school is in session for pupil attendance.
27 A student, regardless of the student's attendance, is enrolled in a
28 transferee school unless the student is no longer entitled to be
29 transferred because of a change of residence, the student has been
30 excluded or expelled from school for the balance of the school year or
31 for an indefinite period, or the student has been confirmed to have
32 withdrawn from school. The transferor and the transferee corporation
33 may enter into written agreements concerning the amount of transfer
34 tuition due in any school year. Where an agreement cannot be reached,
35 the amount shall be determined by the Indiana state board of education,
36 and costs may be established, when in dispute, by the state board of
37 accounts.

38 (g) A transferee school shall allocate revenues described in
39 subsection (b) STEP TWO to a transfer student by dividing:

40 (1) the total amount of revenues received; by

41 (2) the ADM of the transferee school for the school year that ends
42 in the calendar year in which the revenues are received.

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However, for state distributions under IC 21-1-30, IC 21-3-10, or any other statute that computes the amount of a state distribution using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the pupil count used to compute the state distribution.

(h) In lieu of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. This contract is for a maximum period of five (5) years with an option to renew, and may specify a maximum number of pupils to be transferred and fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 9 of this chapter.

(i) If the school corporation can meet the requirements of IC 21-1-30-5, it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may be for one (1) year or longer and may fix a method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 9 of this chapter. A school corporation may not transfer a student under this section without the prior approval of the child's parent or guardian.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 6-1.1-19-5.1, the school corporation may appeal for an excessive levy as provided under IC 6-1.1-19-5.1.

SECTION 6. IC 20-8.1-6.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. ~~Definitions.~~ As used in this chapter, **the following definitions apply:**

~~(a)~~ (1) "Transferor corporation", "transferee corporation", and "transferred student" shall mean, respectively, the school corporation transferring students, the school corporation receiving students, and any student transferred pursuant to a court order described in section 1 of this chapter.

~~(b)~~ (2) "General fund", "capital projects fund", and "debt service fund" shall refer, respectively, to the school corporation funds set up under the provisions of IC 21-2-11, IC 21-2-15, and IC 21-2-4, respectively.

~~(c)~~ (3) "Class of school" shall refer to a classification of each school in the transferee corporation by the grades taught therein (generally denominated as elementary schools, middle schools or



1 junior high schools, high schools, and special schools such as
 2 schools for special education, vocational training, or career
 3 education). Elementary schools shall include schools containing
 4 kindergarten, ~~but~~ **and** for all purposes under this chapter, a
 5 kindergarten student shall be counted as ~~one-half (1/2)~~ **a one (1)**
 6 student.

7 ~~(d)~~ **(4)** "ADM" shall refer to ADM as defined in IC 21-3-1.6-1.1.

8 SECTION 7. IC 21-1-30-2 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. For purposes of
 10 computation under this chapter, the following shall be used:

11 (1) ~~Kindergarten pupils shall be counted as five-tenths (0.5): All~~
 12 ~~other~~ pupils, **including kindergarten pupils**, shall be counted as
 13 one (1).

14 (2) The number of pupils shall be the number of pupils used in
 15 determining ADM, as defined by IC 21-3-1.6, for the current year.
 16 However, students who are transferred under IC 20-8.1-6.1 or
 17 IC 20-8.1-6.5 shall be counted as students having legal settlement
 18 in the transferee corporation and not having legal settlement in
 19 the transferor corporation.

20 (3) Only a licensed teacher who is an actual classroom teacher in
 21 a regular instructional program shall be counted as a teacher,
 22 except as permitted under section 5 of this chapter.

23 (4) If a school corporation is granted approval under section 5 of
 24 this chapter, the school corporation may include as one-third (1/3)
 25 of a teacher in its computation for funding under this chapter each
 26 classroom instructional aide who meets qualifications and
 27 performs duties prescribed by the Indiana state board of
 28 education.

29 (5) Base year refers to the school year immediately preceding the
 30 year that the school corporation implemented IC 21-1-29 (before
 31 its repeal by P.L.278-1993(ss), SECTION 16) for a particular
 32 grade level. However, if the enrollment and staffing patterns that
 33 year for any reason did not fairly represent the normal enrollment
 34 and staffing patterns of a particular school corporation for that
 35 grade level, the department of education may adjust the base year
 36 so that the base year reflects the normal staffing and enrollment
 37 pattern for that school corporation.

38 SECTION 8. IC 21-3-1.6-1.1 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1.1. As used in this
 40 chapter:

41 (a) "School corporation" means any local public school corporation
 42 established under Indiana law.



1 (b) "School year" means a year beginning July 1 and ending the next
2 succeeding June 30.

3 (c) "State distribution" due a school corporation means the amount
4 of state funds to be distributed to a school corporation in any calendar
5 year under this chapter.

6 (d) "Average daily membership" or "ADM" of a school corporation
7 means the number of eligible pupils enrolled in the school corporation
8 or in a transferee corporation on a day to be fixed annually by the
9 Indiana state board of education. Such day shall fall within the first
10 thirty (30) days of the school term. If, however, extreme patterns of
11 student in-migration, illness, natural disaster, or other unusual
12 conditions in a particular school corporation's enrollment on the
13 particular day thus fixed, cause the enrollment to be unrepresentative
14 of the school corporation's enrollment throughout a school year, the
15 Indiana state board of education may designate another day for
16 determining the school corporation's enrollment. The Indiana state
17 board of education shall monitor changes, which occur after the fall
18 count, in the number of students enrolled in programs for children with
19 disabilities and shall, before December 2 of that same year, make an
20 adjusted count of students enrolled in programs for children with
21 disabilities. The superintendent of public instruction shall certify the
22 adjusted count to the budget committee before February 5 of the
23 following year. In determining the ADM, each kindergarten pupil shall
24 be counted as ~~one-half (1/2)~~ **one (1)** pupil. ~~Where~~ **If** a school
25 corporation commences kindergarten in ~~a~~ **the** school year **beginning**
26 **in 1999**, the ADM of the current and prior calendar years shall be
27 adjusted to reflect the enrollment of the kindergarten pupils. "Current
28 ADM" of a school corporation used in computing its state distribution
29 in a calendar year means the ADM of the school year ending in the
30 calendar year. "ADM of the previous year" or "ADM of the prior year"
31 of a school corporation used in computing its state distribution in a
32 calendar year means the ADM of the school corporation for the school
33 year ending in the preceding calendar year.

34 (e) "Additional count" of a school corporation, or comparable
35 language, means the aggregate of the additional counts of the school
36 corporation for certain pupils as set out in section 3 of this chapter and
37 as determined at the times for calculating ADM. "Current additional
38 count" means the additional count of the school corporation for the
39 school year ending in the calendar year. "Prior year additional count"
40 of a school corporation used in computing its state distribution in a
41 calendar year means the additional count of the school corporation for
42 the school year ending in the preceding calendar year.



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(f) "Adjusted assessed valuation" of any school corporation used in computing state distribution for a calendar year means the assessed valuation in the school corporation, adjusted as provided in IC 6-1.1-34. The amount of the valuation shall also be adjusted downward by the state board of tax commissioners to the extent it consists of real or personal property owned by a railroad or other corporation under the jurisdiction of a federal court under the federal bankruptcy laws (11 U.S.C. 101 et seq.) if as a result of the corporation being involved in a bankruptcy proceeding the corporation is delinquent in payment of its Indiana real and personal property taxes for the year to which the valuation applies. If the railroad or other corporation in some subsequent calendar year makes payment of the delinquent taxes, then the state superintendent of public instruction shall prescribe adjustments in the distributions of state funds pursuant to this chapter as are thereafter to become due to a school corporation affected by the delinquency as will ensure that the school corporation will not have been unjustly enriched under the provisions of P.L.382-1987(ss).

(g) "General fund" means a school corporation fund established under IC 21-2-11-2.

(h) "Teacher" means every person who is required as a condition of employment by a school corporation to hold a teacher's license issued or recognized by the state, except substitutes and any person paid entirely from federal funds.

(i) "Teacher ratio" of a school corporation used in computing state distribution in any calendar year means the ratio assigned to the school corporation pursuant to section 2 of this chapter.

(j) "Eligible pupil" means a pupil enrolled in a school corporation if:

- (1) the school corporation has the responsibility to educate the pupil in its public schools without the payment of tuition;
- (2) subject to subdivision (5), the school corporation has the responsibility to pay transfer tuition under IC 20-8.1-6.1, because the pupil is transferred for education to another school corporation (the "transferee corporation");
- (3) the pupil is enrolled in a school corporation as a transfer student under IC 20-8.1-6.1-3 or entitled to be counted for ADM or additional count purposes as a resident of the school corporation when attending its schools under any other applicable law or regulation;
- (4) the state is responsible for the payment of transfer tuition to the school corporation for the pupil under IC 20-8.1-6.1; or



(5) all of the following apply:

(A) The school corporation is a transferee corporation.

(B) The pupil does not qualify as a qualified pupil in the transferee corporation under subdivision (3) or (4).

(C) The transferee corporation's attendance area includes a state licensed private or public health care facility, child care facility, or foster family home where the pupil was placed:

(i) by or with the consent of the division of family and children;

(ii) by a court order; or

(iii) by a child placing agency licensed by the division of family and children.

(k) "General fund budget" of a school corporation means the amount of the budget approved for a given year by the state board of tax commissioners and used by the state board of tax commissioners in certifying a school corporation's general fund tax levy and tax rate for the school corporation's general fund as provided for in IC 21-2-11.

SECTION 9. IC 21-3-3.1-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2.1. (a) For each calendar year, the allowable transportation distribution for each school corporation shall be based on the following formula:

(1) The sum of ~~two hundred seventy-five dollars (\$275) for 1988, and two hundred eighty dollars (\$280), for 1989 and thereafter,~~ less the product of twenty dollars (\$20) multiplied by the linear density of the school corporation.

(2) This remainder is then multiplied by the number of the school corporation's eligible pupils.

(3) From this product is subtracted the product of forty-two cents (\$0.42) multiplied by each one hundred dollars (\$100) of the school corporation's assessed value for taxes first due and payable in the preceding year.

(b) Application of the formula in subsection (a) shall be governed and modified by the following provisions:

(1) ~~In calendar year 1976, and subsequent years,~~ No school corporation that receives funds under this chapter shall receive less money than the school corporation was entitled to receive in calendar year 1975 under IC 21-3-3 (repealed December 31, 1975).

(2) The linear density of the school corporation shall be determined by dividing the total number of eligible pupils by the round trip mileage of all vehicles used by or for the school corporation in transporting pupils.



(3) Eligible pupils are those counted in ADM, enrolled in ~~grades K-12~~, **kindergarten through grade 12**, and transported more than one (1) mile or a preschool child who is transported for purposes of attending a special education program under IC 20-1-6-14.1, regardless of the distance transported.

(4) The round trip mileage of a vehicle shall be the total miles traveled by the vehicle measured from the first point the vehicle picks up an eligible pupil to the last point at which an eligible pupil disembarks at school, multiplied by two (2).

(5) A kindergarten pupil, to the extent the pupil constitutes an eligible pupil, shall be counted as ~~one-half (1/2)~~ **an one (1)** eligible pupil. A preschool pupil attending a special education program under IC 20-1-6-14.1 is counted as one (1) eligible pupil.

(6) All the factors, applied in sections 1 and 3 of this chapter for determining the transportation distribution for any school corporation for any calendar year, shall be those existing in the school year ending in the preceding calendar year.

(7) If subsection (a)(3) requires the use of the assessed valuation for a year in which a general reassessment becomes effective, the state shall make an adjustment in the assessed value used to neutralize the effect of the general reassessment. The adjustment applies to all subsequent years before another general reassessment becomes effective.

SECTION 10. IC 21-3-3.1-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 2.1. (a) For each calendar year, the allowable transportation distribution for each school corporation shall be based on the following formula:

(1) The sum of ~~two hundred seventy-five dollars (\$275) for 1988, and two hundred eighty dollars (\$280), for 1989 and thereafter,~~ less the product of twenty dollars (\$20) multiplied by the linear density of the school corporation.

(2) This remainder is then multiplied by the number of the school corporation's eligible pupils.

(3) From this product is subtracted the product of thirteen and sixty-seven hundredths cents (\$0.1367) multiplied by each one hundred dollars (\$100) of the school corporation's assessed value for taxes first due and payable in the preceding year.

(b) Application of the formula in subsection (a) shall be governed and modified by the following provisions:

(1) ~~In calendar year 1976, and subsequent years,~~ No school corporation that receives funds under this chapter shall receive less money than the school corporation was entitled to receive in



calendar year 1975 under IC 21-3-3 (repealed December 31, 1975).

(2) The linear density of the school corporation shall be determined by dividing the total number of eligible pupils by the round trip mileage of all vehicles used by or for the school corporation in transporting pupils.

(3) Eligible pupils are those counted in ADM, enrolled in grades ~~K-12~~, **kindergarten through grade 12**, and transported more than one (1) mile or a preschool child who is transported for purposes of attending a special education program under IC 20-1-6-14.1, regardless of the distance transported.

(4) The round trip mileage of a vehicle shall be the total miles traveled by the vehicle measured from the first point the vehicle picks up an eligible pupil to the last point at which an eligible pupil disembarks at school, multiplied by two (2).

(5) A kindergarten pupil, to the extent the pupil constitutes an eligible pupil, shall be counted as ~~one-half (1/2)~~ **an one (1)** eligible pupil. A preschool pupil attending a special education program under IC 20-1-6-14.1 is counted as one (1) eligible pupil.

(6) All the factors, applied in sections 1 and 3 of this chapter for determining the transportation distribution for any school corporation for any calendar year, shall be those existing in the school year ending in the preceding calendar year.

(7) If subsection (a)(3) requires the use of the assessed valuation for a year in which a general reassessment becomes effective, the state shall make an adjustment in the assessed value used to neutralize the effect of the general reassessment. The adjustment applies to all subsequent years before another general reassessment becomes effective.

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